

Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, D.C. 20554

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FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF THE SECRETARY

In the Matter of)
)
Billed Party Preference) CC Docket No. 92-77
for 0+ InterLATA calls)

COMMENTS OF U S WEST COMMUNICATIONS, INC.
CONCERNING PROPRIETARY CALLING CARDS

U S WEST Communications, Inc. ("USWC"), through counsel and pursuant to the Federal Communications Commission's ("Commission") *Notice of Proposed Rulemaking* in the above-captioned proceeding,¹ hereby submits its initial comments regarding proposals that urge the Commission to impose an interim prohibition of operator service provider ("OSP") acceptance of 0+ calls made with proprietary calling cards.

I. INTRODUCTION

The Commission seeks separate and specific comment on whether, prior to the implementation of billed party preference, it should require interexchange carriers ("IXC") to share with other IXCs billing and validation data for any calling card usable with 0+ access dialing. In practical terms, this proposal would prohibit IXCs from accepting proprietary calling cards on 0+ interLATA calls. Of course, this restriction would apply to all IXCs that have proprietary calling cards.

¹*Notice of Proposed Rulemaking*, CC Docket No. 92-77, FCC 92-169, rel. May 8, 1992 ("NPRM").

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List A B C D E

Four types of calling cards are currently in use: (1) telephone line number based card, where the four-digit personal identification number is common to the local exchange carrier ("LEC") and the IXC card issuer; (2) telephone line number based card, where the personal identification number is proprietary to the IXC card issuer; (3) Card Issuer Identifier ("CIID") cards;² and (4) cards in the 89 format.³ With the exception of the card based on the line number with a common personal identification number, all of the listed card types are "proprietary." As USWC understands that term, proprietary calling cards establish branding and billing for the issuing carrier and guarantee usage on that carrier's network. While a number of IXCs have issued

²As a 14-digit alternative to the line-based calling card format, the CIID format is available to IXCs and operator service providers ("OSP") only. This format utilizes a six-digit card issuer identifier number, assigned by Bell Communications Research, Inc. ("Bellcore"), the current administrator of the North American Numbering Plan ("NANP"), plus a four-digit account number and a four-digit personal identification number, assigned by the card issuer. It is USWC's understanding that, to date, Bellcore has assigned card issuer identification numbers to at least 17 IXCs and OSPs. Although the CIID format is equally available to all IXCs and OSPs, to USWC's knowledge, only the American Telephone and Telegraph Company ("AT&T") has thus far issued such cards to end users.

³The 89 format has been adopted by the domestic and international standards bodies, the American National Standards Institute ("ANSI") and the International Telegraph and Telephone Consultative Committee ("CCITT"), respectively, and is available to all telecommunications companies. Calling cards in this format are issued with numbers as follows: 89X-XXX-XXXXXXXXXXXX-Y-PINN. The "89" indicates that the card issuer is a telecommunications company. The next digit indicates the geographical origin of the card. For instance, a "1" would indicate that the card issuing company is located in World Zone 1 (Canada, the United States and the Caribbean). The next three digits are the card issuer identifier. The following group of one to 12 digits is the individual account number assigned by the card issuer. The "Y" is simply a format check digit and the last four digits ("PINN") make up the personal identification number assigned by the card issuer to the card holder.

proprietary calling cards, it appears that only AT&T has contracted with certain LECs for mutual honoring of calling cards.⁴

It is important to note that there is no inherent connection between the proprietary status of a calling card and the access method the card issuer chooses to use with its card. A calling card is proprietary because the card issuer has decided that it shall be the sole entity able to validate and bill usage of its card, that is, the issuer does not make its validation and billing, name and address ("BNA") information available to others. Whether proprietary or not, a calling card is usable with 0+ access simply because the issuer has entered into the necessary business arrangements (*e.g.*, mutual honoring agreements) which make such access possible. Absent such arrangements, alternative access dialing (*e.g.*, 10XXX, 950-XXXX, 800-NXX-XXXX) must be used. Of course, USWC stands ready to enter into such arrangements with any IXC.

The example used by the Commission to illustrate the effect of the proposed restriction is that, prior to the proposed implementation of billed party

⁴For USWC to be able to honor an IXC's calling card, the card number must be in a format recognizable by USWC's operator services systems ("OSS"). IXC cards currently recognizable are line-based cards with a common personal identification number (non-proprietary), CIID cards and 89 cards (both proprietary). Because USWC cannot verify IXC line-based cards where the personal identification number is not shared, USWC's OSS cannot recognize these card numbers and, thus, cannot honor the card for intraLATA calling. CIID validation data is retained solely by card issuer and does not reside in the Line Information Data Base ("LIDB") systems of the Bell Operating Companies ("BOC") and other LECs. To accommodate the CIID card, modifications to USWC's OSS are necessary to direct validation queries to the card issuer's data base and to send billing records to the correct entity. In the event USWC is the billing entity, modifications to the end user billing systems are also required.

preference, AT&T would have a choice of either sharing billing and validation information for its CIID card (in which case callers could continue to use the card with 0+ access), or restricting the use of the card to access code calling.⁵ In addition to its fundamental question concerning this proposal, the Commission solicits information on the public interest costs and benefits of the proposed interim restriction and how it would be implemented and would work.⁶

II. THE PROPOSED INTERIM RESTRICTION IS NOT IN THE PUBLIC INTEREST

USWC has not issued a proprietary calling card and has no current plans to do so.⁷ However, USWC does honor such cards issued by IXC's, provided that such cards meet the USWC's numbering format requirements and that the issuing IXC enters into a mutual honoring agreement with USWC. As such, USWC believes that it would be anticompetitive to restrict the issuance of IXC proprietary calling cards and that such cards should not be restricted to access code calling during the interim period between a Commission determination that billed party preference should be implemented and the actual implementation of that plan. IXC's should be free to make business decisions as to the format and proprietary or nonproprietary status of their

⁵NPRM at ¶ 42.

⁶See *id.* at ¶ 43.

⁷USWC's calling card operations are detailed in its comments filed Aug. 15, 1991 in *Policies and Rules Concerning Local Exchange Carrier Validation and Billing Information for Joint Use Calling Cards*, CC Docket No. 91-115.

calling cards without being forced to use a particular access method.

The CIID plan was developed as an interim step toward the 89 calling card standard format. Under this interim plan, IXCs may issue proprietary 14-digit calling cards which can be honored by the BOCs and other LECs for intraLATA calls.⁸ It seems inappropriate to penalize a carrier which has gone to the expense of establishing this card format and entering into mutual honoring agreements with LECs simply because certain other IXCs, who are free to take similar steps, have chosen not to do so.

Moreover, the either/or choice presented by the proposed interim restriction will, in fact, undermine the effectiveness of billed party preference, in the event it is implemented. This seems particularly true if, as USWC believes, billed party preference could not be implemented before 1996, at the earliest. If, for an interim period of perhaps four years, all 0+ calling cards calls must be honored and billable by all carriers, the rationale underlying proprietary calling cards (*i.e.*, to establish branding and billing for the issuing carrier and guarantee usage on the card issuer's network) ceases to exist. Why bother to create a differentiated calling card product if there are no competitive benefits to be gained for doing so.⁹ On the other hand, if all calling

⁸See *U.S. v. Western Elec. Co., Inc.*, 739 F. Supp. 1, 9-11 (D.D.C. 1990).

⁹Because card holders would no longer be guaranteed access to their preferred carrier when placing a call via 0+ access dialing, this proposed alternative would seem to subject end users to the rates of IXCs with which the end user has no relationship. The prescription of uniform rates for all 0+ interLATA calls made with proprietary cards to protect end users would be a daunting task.

card calls made with 0+ access are blocked for the interim period, end users will simply become conditioned to using access codes, thereby creating resistance to 0+ dialing should billed party preference be required.

Even more crucial, in USWC's view, are the additional cost to OSPs and end user inconvenience and confusion the interim restriction would create. Today, an OSP cannot know whether a call is being made with a calling card, let alone with a proprietary calling card, until after the call reaches the OSP and billing information is obtained.¹⁰ If prohibited from accepting 0+ interLATA calls made with proprietary calling cards, OSPs would have to disable their automated 0+ call handling functions and either handle such calls manually to distinguish between proprietary and nonproprietary calling card calls, or simply block all 0+ calls and require that such calls be made with an access code.

The manual processing of 0+ calls would greatly increase OSP costs without adding any benefit. Within USWC, the average operator work time for a manually handled calling card call is 32.5 seconds, which equates to an additional per call cost of \$0.43. A similar per call expense would be incurred for all other 0+ interLATA calls (person-to-person, collect, bill-to third-number) that would no longer be handled by USWC automated systems.

It is still unclear to USWC how a live operator would be able to determine, in all cases, whether the caller's calling card is proprietary or nonproprietary

¹⁰Today, if the OSP recognizes the card format and number and has access to validation, it processes the call.

without reference to the same validation process that is used in automated 0+ call processing. Thus, it would appear that both the manual and at least parts of the automated procedures would have to be used for each 0+ interLATA calling card call. This seems to USWC to be an inefficient and unnecessary expenditure of resources without commensurate end user benefit. And, ultimately, end users would have to pay higher charges.

If the blocking approach were adopted, other types of 0+ calls (*e.g.*, person to person, collect, bill-to third-number) would also have to be placed with an access code. This scenario would certainly confuse end users accustomed to using 0+ dialing for such calls. USWC counsels against adding to the confusion caused by recent problems associated with changes in the operator service marketplace.

III. CONCLUSION

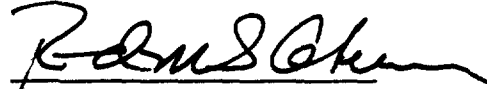
USWC opposes adoption of the proposed interim restriction on proprietary calling cards because it would be anticompetitive, costly without affording commensurate customer benefit and, ultimately, would undermine the effectiveness of

billed party preference, should it be required. For these reasons, USWC urges the Commission to forego adoption of the proposed interim restriction.

Respectfully submitted,

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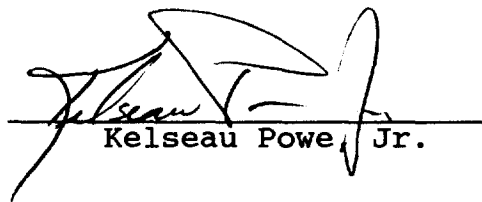
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June 2, 1992

CERTIFICATE OF SERVICE

I, Kelseau Powe, Jr., do hereby certify on this 2nd day of June, 1992, that I have caused a copy of the foregoing **COMMENTS OF U S WEST COMMUNICATIONS, INC. CONCERNING PROPRIETARY CALLING CARDS** to be hand delivered to the persons named on the attached service list.


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